

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

IN RE:

NUWELD, INC.

Debtor in Possession

Case No. 5-16-02115

Chapter 11

John J. Thomas, B.J

IN RE

ARC TECH, INC.

Debtor in Possession

Case No. 5-16-02114

Chapter 11

John J. Thomas, B.J

**DEBTORS' MOTION FOR AN ORDER AUTHORIZING JOINT
ADMINISTRATION PURSUANT TO FEDERAL RULE OF
BANKRUPTCY PROCEDURE 1015 AND REQUEST FOR
EXPEDITED HEARING**

NUWELD INC. ("NUWELD") and ARC TECH, INC. ("ARC TECH") (collectively, "the Debtors") by and through their co-counsel, Mark J. Conway, Esquire and Brian E. Manning, Esquire, respectfully move this Court for an Order (i) pursuant to Fed. R. Bankr. P. 1015(b), authorizing the joint administration of these cases filed under Chapter 11 of Title 11 of the United States Code §§ 101, *et seq.* (the "Bankruptcy Code"). In support thereof, the Debtors represent as follows:

JURISDICTION

1. The Court has jurisdiction over this Motion under 28 U.S.C. § 1334, which is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for the relief requested herein is section 105(a) of the Bankruptcy Code, and is supported by Rule 1015 of the Federal Rules of Bankruptcy Procedure.

BACKGROUND

3. On May 16, 2016, NUWELD INC. filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Also on May 16, 2016, ARC TECH, INC., filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtors intend to continue in the possession of their respective properties and in the management and operation of their respective businesses as debtors-in- possession under Sections 1107 and 1108 of the Bankruptcy Code.

3. No trustee or examiner has been appointed in these Chapter 11 cases nor has a creditors' or other committee been appointed.

4. NUWELD, INC. is a Pennsylvania corporation with its principal place of business located in Williamsport, Pennsylvania. NUWELD provides custom welding, structural steel fabricating, engineering and related services for the oil and gas industries, nuclear and power generation industries and other commercial users. NUWELD employs over 100 persons and has been in business since 1997.

5. ARC TECH, INC. is a Pennsylvania corporation with its principal place of business located in Williamsport, Pennsylvania. ARC TECH holds title to the real estate operated by NUWELD and other commercial properties.

6. NUWELD is essentially the operating company and ARC TECH is the owner of the primary real estate, which includes, inter alia, the locations where NUWELD presently and formerly operated. The Debtors have the same officers and essentially the same shareholders. The Debtors also share a common facility and have cross-guaranteed the loans of each other from their primary alleged secured lender, Branch Banking and Trust Company, a

North Carolina bank and successor by merger to Susquehanna Bank (“BB&T”). BB&T is allegedly secured in substantially all of the assets of the Debtors and it is believed that it will have a substantial unsecured claim against the Debtors as a result of the value of its collateral.

JOINT ADMINISTRATION

7. By this Motion, the Debtors seek the joint administration and consolidation of their Chapter 11 cases for procedural purposes pursuant to section 105(a) of the Bankruptcy Code and Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. For the reasons set forth herein, the Debtors believe that, in light of their affiliated status and interrelated business operations (as described below), the joint handling of the administrative matters respecting these cases, including, without limitation, the use of a single docket for matters occurring in the administration of the estates and the combining of notices to creditors, will aid in expediting these Chapter 11 cases and rendering their administration more efficient and economical.

7. These cases should be administered jointly because joint administration will obviate the need for duplicative notices, motions, applications and orders, and thereby save considerable time and expense for the Debtors and their estates. Rule 1015(b) of the Bankruptcy Rules provides, in relevant part, that:

[I]f a joint petition or two or more petitions are pending in the same court by or against . . . a debtor or an affiliate, the court may order a joint administration of the estates.

The Debtors are "affiliates" as that term is defined in section 101(2) of the Bankruptcy Code. Accordingly, this Court is authorized to grant the relief requested herein.

8. Rule 1015 of the Federal Rules of Bankruptcy Procedure promotes the fair and efficient administration of multiple cases of affiliated debtors while protecting the rights of individual creditors. See Fed. R. Bankr. P. 1015 advisory committee note; In re N.S. Garrott & Sons, 63 B.R. 189, 191 (Bankr. E.D. Ark. 1986); In re H&S Trans. Co., 55 B.R. 786, 791 (Bankr. M.D. Tenn. 1982).

9. Further, joint administration of these cases is warranted because (i) the Debtors' financial affairs are closely related, (ii) it will ease the administrative burden on the Court, the Debtors and any and all parties-in-interest, and (iii) it will protect the creditors of the different estates against potential conflicts of interest.

10. An Order providing for joint administration of the Debtors' respective cases will in no way prejudice any party-in-interest and will not affect any substantive rights.

11. In addition, NUWELD and ARC TECH have filed an Application to Employ as co-counsel for the Debtors, Mark J. Conway, Esquire and Brian E. Manning, Esquire.

12. Accordingly, the Debtors submit that joint administration of the above-captioned chapter 11 cases is in their best interests, as well as the best interests of their creditors and all other parties-in-interest. The Debtors therefore request that the official caption to be used by all

parties in all pleadings in the jointly administered cases be as follows:

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Debtors in Possession

Case No. 5-16-02115
Jointly Administered
Chapter 11

13. The Debtors submit that the use of the simplified caption, with only one case number, will eliminate cumbersome and confusing procedures and ensure a uniformity of pleading identification.

14. The Debtors further propose that a docket entry be made in each of the cases as follows:

An Order has been entered in this case directing joint administration of this case with the Chapter 11 bankruptcy case of NUWELD, INC., Case No. 16-02115. The docket for NUWELD, INC. should be consulted for all matters affecting this case.

15. The rights of the respective creditors of each of the Debtors will not be adversely affected by the joint administration of these cases inasmuch as the relief sought is purely procedural and is in no way intended to affect substantive rights. Each creditor and party-in-interest will maintain the rights it has against the particular bankruptcy estate in which it allegedly has a claim or right.

REQUEST FOR EXPEDITED HEARING

16. In order to avoid unnecessary duplication of effort and to facilitate the efficient administration of the Debtors' bankruptcy proceedings, the Debtors respectfully request an expedited hearing in connection with this motion.

WHEREFORE, the Debtors respectfully request that the Court enter an Order granting the relief requested herein, and granting such other and further relief as the Court deems just and proper under the circumstances.

Law Offices of Mark J. Conway, PC

/s/ Mark J. Conway

Mark J. Conway, Esquire
502 S. Blakely, St., Suite B
Dunmore, PA 18512
Tel. 570-343-5350
Fax 570-343-5377
mjc@mjconwaylaw.com

Law Offices of Brian E. Manning

/s/ Brian E. Manning

Brian E. Manning, Esquire
502 S. Blakely, St., Suite B
Dunmore, PA 18512
Tel. 570-558-1126
Fax 866-559-9808
brianemanning@comcast.net

[Co-Counsel for Debtors in Possession](#)

Dated: May 18, 2016

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

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**ORDER AUTHORIZING JOINT ADMINISTRATION PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 1015**

AND NOW, upon consideration of the Debtors' Motion for an Order authorizing joint administration Pursuant to Federal Rule of Bankruptcy Procedure 1015 and upon consideration of any response thereto; and it appearing that good and sufficient notice of the Motion has been given and that no other and further notice is required; and for good cause otherwise shown, it is hereby

ORDERED, that the Motion is GRANTED; and it is further ORDERED, that the above-captioned Chapter 11 cases of NUWELD, INC., Case No. 5-16-02115; and ARC TECH, INC., Case No. 5-16-02114, ("the Related Cases") shall be jointly administered under Fed.R.Bank. P. 1015 and not substantively consolidated; and it is further ORDERED, that all pleadings in or related to either of the above-captioned Chapter 11 cases be filed in the NUWELD INC., case to Docket Number 5-16-02115.